

Canada

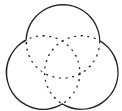
Overview



Transparency:

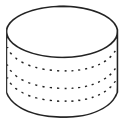
31 /100

(Open Budget Index score)



Public Participation:

26 /100



Budget Oversight:

52 /100

About the survey

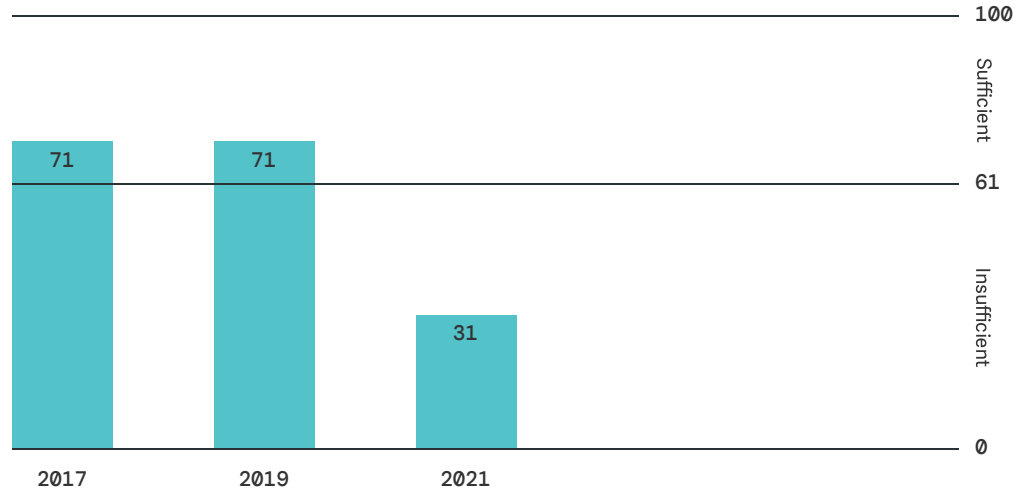
Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

The Open Budget Survey (OBS) is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 8th edition of the OBS covers 120 countries.

Visit www.internationalbudget.org/open-budget-survey for more information, including the full OBS methodology, the 2021 Global and Regional Reports, findings for all surveyed countries, and the Data Explorer.

How has the transparency score for Canada changed over time?



Public availability of budget documents in Canada

KEY	
●	Available to the Public
●	Published Late, or Not Published Online, or Produced for Internal Use Only
⊘	Not Produced

Document	2017	2019	2021
Pre-Budget Statement	●	●	●
Executive's Budget Proposal	●	●	●
Enacted Budget	●	●	⊘
Citizens Budget	⊘	⊘	⊘
In-Year Reports	●	●	●
Mid-Year Review	●	●	●
Year-End Report	●	●	●
Audit Report	●	●	●

How comprehensive is the content of the key budget documents that Canada makes available to the public?

KEY	
● 61-100 / 100	
● 41-60 / 100	
● 1-40 / 100	

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2021-22	78
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2020-21	Internal Use
Enacted Budget	The budget that has been approved by the legislature.	2020-21	Not Produced
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2020-21	Not Produced
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2019-20 & 2020-21	74
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2020-21	63
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2019-20	76
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2019-20	86

Canada's transparency score of **31** in the OBS 2021 is substantially lower than its score in 2019.

What changed in OBS 2021?

Canada has decreased the availability of budget information by:

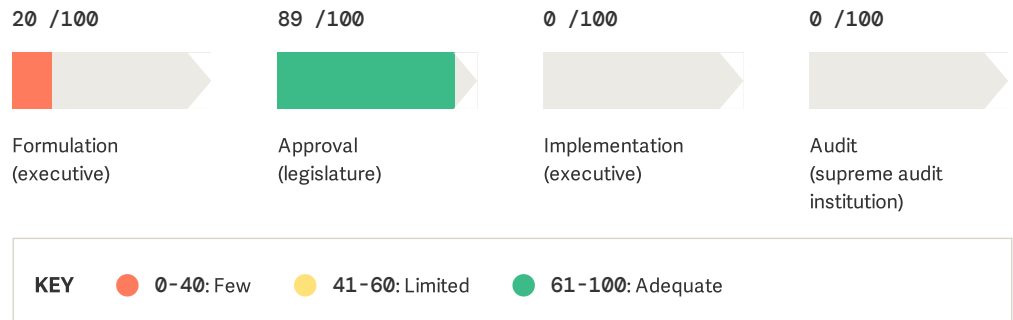
- Producing the Executive's Budget Proposal for internal use only. The Canadian government had been set to present their budget for 2020/21 in late March 2020, before it was postponed in mid-March because of the COVID-19 pandemic. It was pushed back a few times, before finally being postponed indefinitely in early May. This continued for the rest of 2020.
- Failing to produce the Enacted Budget. Between March 12, 2020 and December 30, 2020 the Parliament passed 12 spending or tax bills, but not a full budget for the year.

Recommendations

Canada should prioritize the following actions to improve budget transparency:

- Ensure that even during emergency situations the Executive's Budget Proposal and Enacted Budget are published online in a timely manner. While uncertainty can be high during emergencies, the lack of a full budget plan only adds to the uncertainty.
- Produce and publish the Citizens Budget online in a timely manner. This should be a simplified version of either the Executive's Budget Proposal or the Enacted Budget designed to present key public finance information to the general public.

Extent of opportunities for public participation in the budget process



Recommendations

Canada's Department of Finance has established pre-budget submissions during budget formulation but, to further strengthen public participation in the budget process, should also prioritize the following actions:

- Pilot mechanisms to monitor budget implementation.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

Canada's Parliament has established public hearings related to the approval of the annual budget and public hearings related to the review of the Audit Report, but should also prioritize the following actions:

- Allow any member of the public or any civil society organization to testify during its hearings on the budget proposal prior to its approval.
- Allow any member of the public or any civil society organization to testify during its hearings on the Audit Report.

Canada's Office of the Auditor General should prioritize the following actions to improve public participation in the budget process:

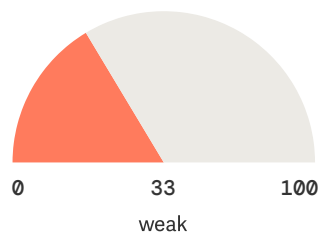
- Establish formal mechanisms for the public to assist in developing its audit program and to contribute to relevant audit investigations.

Budget Oversight

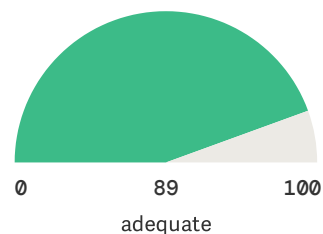
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Canada, together, provide limited oversight during the budget process, with a composite oversight score of **52** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

Legislative oversight



Audit oversight



KEY ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

Recommendations

Due to COVID-19, Canada's Parliament provided weaker oversight during the planning stage of the budget cycle and weaker oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The Executive's Budget Proposal should be submitted to legislators at least two months before the start of the budget year.
- The legislature should approve the Executive's Budget Proposal before the start of the budget year.
- A legislative committee should examine in-year budget implementation and publish reports with their findings online.

- A legislative committee should examine the Audit Report and publish a report with their findings online.
- To improve transparency and legislative oversight, Canada should permanently align the timing and content of its budget proposal and Main Estimates.

The emerging practice of establishing independent fiscal institutions

Canada's independent fiscal institution (IFI) is the Office of the Parliamentary Budget Officer. Its independence is set in law, and it reports to the legislature. It publishes its own macroeconomic and fiscal forecasts, and its own cost estimates of major new policy proposals.

The indicators on IFIs are not scored in the Open Budget Survey.

Methodology

- Only documents published and events, activities, or developments that took place through 31 December 2020 were assessed in the OBS 2021.
- The survey is based on a questionnaire completed in each country by an independent budget expert:
Marie-Soleil Tremblay FCPA, PhD
Professor – Ecole nationale d'administration publique

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- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in Canada by a representative of the Department of Finance.